

Monthly Activity Report

**Consumer Protection and Enforcement
Division | California Public Utilities
Commission | June 2017**

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OVERVIEW

The Consumer Protection and Enforcement Division (CPED) serves as the first line of defense for California utility customers. CPED collects and resolves consumer complaints, establishes and enforces rules and regulations for transportation carriers, and investigates allegations of utility waste, fraud, and abuse. CPED is comprised of three separate branches: the Consumer Affairs Branch (CAB), the Transportation Enforcement Branch (TEB), and the Utilities Enforcement Branch (UEB).

This report contains information reflecting the month's activity within each of the three CPED branches. Information about each Branch is collected in seven different sections: (1) Monthly Highlights, (2) Key Activities, (3) Citations/Fines/Refunds, (4) Compliance with Ordering Paragraphs, (5) Docket Activity, (6) Outreach/Training/Other Activities, and (7) Legislation of Interest.

CONSUMER AFFAIRS BRANCH

CAB provides assistance to consumers over the phone and in writing by answering questions and addressing informal complaints regarding CPUC-regulated communications, energy, and water utilities. CAB also acts as a conduit of consumer information for CPUC decision-makers.

MONTHLY HIGHLIGHTS

- **Completed Design Phase for Upgrade to CAB's Database:** Multiple CAB subject matter experts assisted in completing the design elements for the upgrade to CAB's Consumer Information Management System. The CPUC's Application Programming Unit will begin coding the upgrade. The upgrade will allow CAB to comply with recommendations from the California State Auditor for improving quality assurance processes and data quality.
- **Worked with CPUC Communications and Legal Divisions to Require Clarifications to AT&T California's Residential Service Agreement:** AT&T amended its RSA to ensure that consumers understood that their basic service was not being modified and that they would be notified, and offered an appointment if needed, if network upgrades were made in the future. As a result of this work, CAB is able to better assist consumers with information and assistance when contacted about the RSA.

- **Worked with Cox Communications on Customer Notices and Plans for its Network Upgrade:** Cox is transitioning their telephone service from traditional circuit-switched technology, to packet-switched technology, also known as Voice over Internet Protocol (“VoIP”). As part of the plan, consumers affected by the transition are notified to ensure they understand the only change being made is to the technology used to provide their phone service which includes free installation of the equipment. As a result of this work, CAB is able to better assist consumers with information and assistance when contacted about the upgrade.

KEY ACTIVITIES

In June, CAB provided assistance to consumers that contacted us seeking assistance via our statewide 800 number. Through the 800 number, consumers accessed CAB’s consumer assistance information line menus 16,326 times and opted to speak to a live representative 5,187 times. Live consumer calls regularly result in referral to the utilities’ high-level internal consumer assistance groups for expedited resolution of consumer-identified issues. Live calls may also result in providing answers to consumer questions or providing them with referral information on utilities, service providers, and other entities that are not regulated by the CPUC.

In addition to assisting consumers with complaints, questions and information referrals via telephone, CAB received 981 contacts from consumers that were seeking assistance, via U.S. mail, fax, or online complaint form. At the end of June, CAB had closed 1,269 written contacts and was in process of addressing an additional 1,162 written contacts.

CAB Activity for June 2017	
Data for Telephone Contacts	
Calls to Assistance Line	16,326
Live Calls Answered	5,187
Data for Written Contacts Processed ¹	
New Written Contacts Received	981
Written Contacts Closed	1,269

¹ Written contacts closed may differ from the number of written contacts received in a month since cases received in previous months may be resolved in the current month.

Written Contacts Being Processed ²	1,162
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CAB also responds to requests from internal and external entities for consumer contact data. In June, CAB responded to three CPUC internal data requests, all related to Communications issues. One request sought information on the number of unannounced technician visits to consumer premises, another request sought information on all complaints pertaining to home security alarm systems as monitored by telco equipment, and the third request sought information about system upgrade complaints lodged against one communications provider.

CITATIONS/FINES/REFUNDS

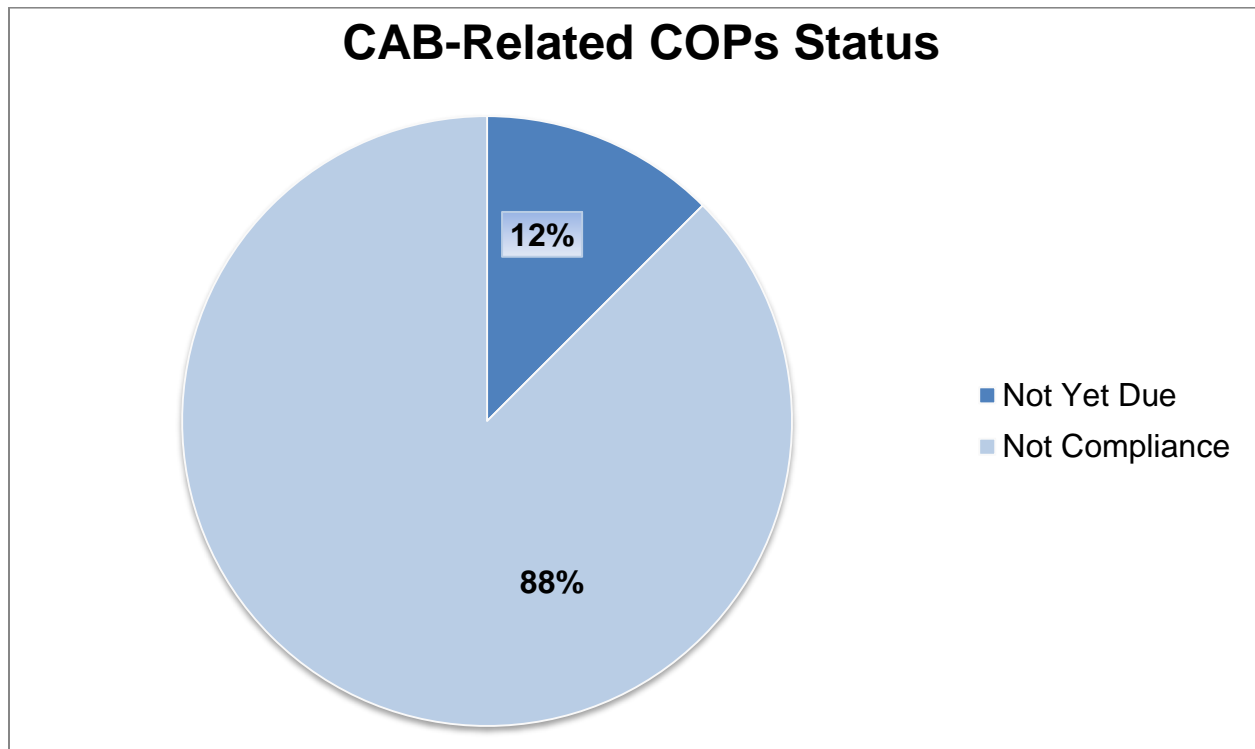
CAB helped California consumers secure \$91,740.57 worth of refunds and credits in June 2017. The cumulative total for 2017 is \$548,401.33.

Date	Refund/Credit Amount ³
June 2017	\$91,740.57
Cumulative 2017	\$548,401.33

CAB does not issue citations or fines, but instead may negotiate refunds through its informal complaint resolution process. Most refunds secured by CAB are the result of incorrect billing of a utility consumer or from discretionary refunds provided by the utility.

² Depending on the timing of when written contacts were received and the complexity of the issue, written contacts may not be resolved during the month in which they were received. These contacts are in process and are under review by CAB and the utility service provider.

³ Refund amounts may be underreported in cases where a utility does not share refund information in its response to CAB. This may occur in cases where Voice over Internet Protocol (VoIP) telephone service is involved. VoIP services are governed under Public Utilities Code Section 710. Also, CAB does not currently have a process that enables follow-up on consumer phone contacts that are transferred to the company for expedited resolution. Thus, the refund amount reflected may be underreported since the company may resolve the consumer's issue after the transfer is made, including the offering of a refund.



There were two new CAB-related Ordering Paragraphs enacted in June. CAB is currently responsible for sixteen separate Ordering Paragraphs. Of those sixteen Ordering Paragraphs, two (representing 12%) are not yet due. The balance of fourteen CAB-related Ordering Paragraphs require that regulated utilities, that have been granted authority to operate by the CPUC, provide CAB with contact information needed in processing informal complaints (Not Compliance Items).

For these fourteen CAB-related Not Compliance items, CAB has proactively contacted the utility in an attempt to gather the information and inform the utility of CAB's role. Once received, the contact information will be entered into the CPUC's Utility Contact System (UCS) database that houses contact information for utilities authorized to provide service in California.

DOCKET ACTIVITY

CAB monitored eleven open proceedings in June that have consumer impacts. Two of the eleven items appeared on the CPUC's June's Voting Agendas and were approved.

Five of the eleven proceedings noted are regarding applications for CPCNs.⁴ CAB monitors all CPUC non-transportation CPCN proceedings due to the requirement for CAB to maintain contact information for all certificated non-transportation companies in its database. CAB continues to closely monitor the second phase of Rulemaking 14-03-002 on Core Transport Agents.

OUTREACH/TRAINING/OTHER ACTIVITIES

CAB analytical staff and management received a demonstration and provided feedback on database reporting tools that were adopted on a CPUC enterprise-wide basis. The new reporting tools will expand capabilities for reporting for consumer contact data from the CIMS database.

CAB staff was provided training and a demonstration on net energy metering rules and Smart Meters by Southern California Edison. This effort will allow CAB to better assist consumers.

CAB participated in first aid and CPR/AED training in the Los Angeles office. As a result of the training, the office now has several staff certified to assist in emergency situations.

LEGISLATION OF INTEREST

SB 598 (Hueso) – CAB continues to monitor this bill, which addresses disconnection of gas and electric consumers. It requires the CPUC to reduce gas and electric service disconnections to 2010 levels by the year 2024, prioritize provision of universal gas and electric service to every residential household and prohibits a gas or electrical corporation from disconnecting service for nonpayment by a residential customer dependent on life-support equipment (under certain conditions). If the bill is enacted, the CPUC will be required to develop disconnection metrics and to report to the Legislature and incorporate the metrics into certain proceedings.

TRANSPORTATION ENFORCEMENT BRANCH

TEB oversees for-hire passenger carriers (limousines, airport shuttles, chartered and scheduled bus operators, and transportation network companies) and moving companies. To that end, TEB analyzes applications from carriers, writes proposed

⁴ A Certificate of Public Convenience and Necessity (CPCN) is required to lawfully operate a utility company in California and is granted by the CPUC.

decisions to approve or deny a carrier's CPCN application, issues permits and tracks carrier compliance with permit requirements. TEB also serves a role analogous to that of an "industry division," acts as the CPUC's subject matter expert and advises decision makers regarding for-hire carriers. And finally, TEB staffs a consumer complaint 800 phone line; educates consumers, carriers and state and local law enforcement and prosecutors; investigates alleged violations; issues citations; brings cases before the Commission and supports civil and criminal cases brought by local prosecutors, such as a district or city attorney.

MONTHLY HIGHLIGHTS

- TEB investigators obtained seven individual Findings of Probable Cause from Superior Court judges to disconnect telephone service of six illegal moving companies and one passenger carrier.
- The License team received the second shipment of high-volume scanners on June 12, 2017. Staff will now be able to scan an application and associated documents in a single transaction within two minutes, which eliminates the manual filing associated with paper files. Similarly, License staff will scan all subsequent carrier transactions, which means that all carrier records will be available electronically to TEB enforcement staff located across the state.

KEY ACTIVITIES

Carrier Application and Permit Activity

TEB staff received 257 applications this month (new, renewals, refiles, transfers), and issued 286 permits. TEB completed but cannot approve 545 applications until the CHP completes bus terminal inspections (CHP requires 60 days) and/or the carrier provides proof of insurance or enrollment in a drug testing program (up to 7 days). On June 7, 2017, TEB sent a third and final deficiency notice to each of two TNC applicants that filed applications in April 2017.

Activity	Passenger Carrier	Household Goods	Total
New Applications Docketed	51	9	60
Renewal Applications Docketed	178	N/A	178
Refile Applications Docketed	11	1	12
Transfer Applications Docketed	6	1	7
Authorities Issued	278	8	286

Authorities Suspended	361	46	407
Authorities Revoked	67	6	73
Authorities Reinstated (Suspended/Revoked)	368	44	412
New Applications waiting for CHP inspection or carrier action (drug test results, insurance).	188	68	256
Renewal Applications waiting CHP inspection or carrier action (drug test results, insurance, or other renewal documents).	289	N/A	289
Pending Reinstatement from Suspension and Revocation	34	3	37
Total Active/Suspended Authorities as of 6/30/2017	7,776	1,041	8,817
Number of Voluntary Suspensions	18		18
Number of Voluntary Revocations	6		6
Number of vehicles added to Passenger Carrier Equipment Statements	612		612
Address and DBA Changes	57		57
Vehicle inspection requests sent to CHP	292		292
Returned Applications (incomplete package)	53		53

Enforcement Activities

TEB is working on a total of 227 cases. Investigations center on illegal carriers and violations of the Public Utilities Code, General Orders, and/or Commission decisions. TEB's cases come from a variety of sources, such as complaints from carriers or consumers, referrals from the CHP and those opened on TEB's own initiative. Twelve cases submitted to local district attorneys' offices are in various stages of prosecution in Los Angeles, Orange, Riverside and San Diego counties.

In June 2017, TEB closed 35 cases and initiated 37 new cases.

Enforcement Activity	Passenger Carrier	Household Goods	Total
Open Cases as of 6/1/17	119	106	225
New Investigation Initiated	23	14	37
Investigations Completed	24	11	35

Cases Open as of 6/30/17	118	109	227
Cease and Desist Notices	7	13	20
Official Notices	4	1	5
Telephone Disconnects	1	4	5
New Criminal Actions	5	3	8
Overcharge Notices	4	2	6
Administrative Citations	6	0	6
Back fees received	\$11,754	0	\$11,754

CITATIONS/FINES/REFUNDS

TEB Activity	Passenger Carriers	Moving Companies	Total
Fine Assessed	\$13,000	0	\$13,000
Fines Paid	\$15,769	\$1,500	\$17,269
Overcharge Refunds/Claims Settlements by CIU Rep	\$233	\$2,409	\$2,642

- **F-5343. James Paul Dolen dba Magnum Tours (TCP 14755B). Case: PSG-4440. Fine \$1,000. Violations:** Failed to update equipment statement.
- **F-5344. Bravo Transportation LLC, San Francisco (TCP 28937). Case: PSG-4327. Fine: \$500. Violations:** Failed to produce records; underreported gross revenue.
- **F-5346. Bella Limousine and Car Services, Inc. dba ALS Limo and Car Services, La Palma (TCP 34453). Case: PSG-4424. Fine: \$2,000. Violations:** Failed to enroll employee-drivers in the DMV/EPN program and a mandatory Controlled Substance and Alcohol Testing Certification Program; failed to include pertinent information on waybills; underreported gross revenue for 2015.
- **F-5347. Luxury Limousine and Car Services, Inc. dba ALS Limo, La Palma (TCP 34684). Case: PSG-4425. Fine: \$500. Violations:** Failed to include pertinent information on waybills and underreported gross revenue for 2015.
- **F-5348. United Cultural Exchange U.S.A. dba Executive Transportation, Upland (TCP 35132). Case: PSG-4413. Fine: \$10,000. Violations:** Operated as a charter-party after suspension and revocation of its authority; engaged employee-drivers

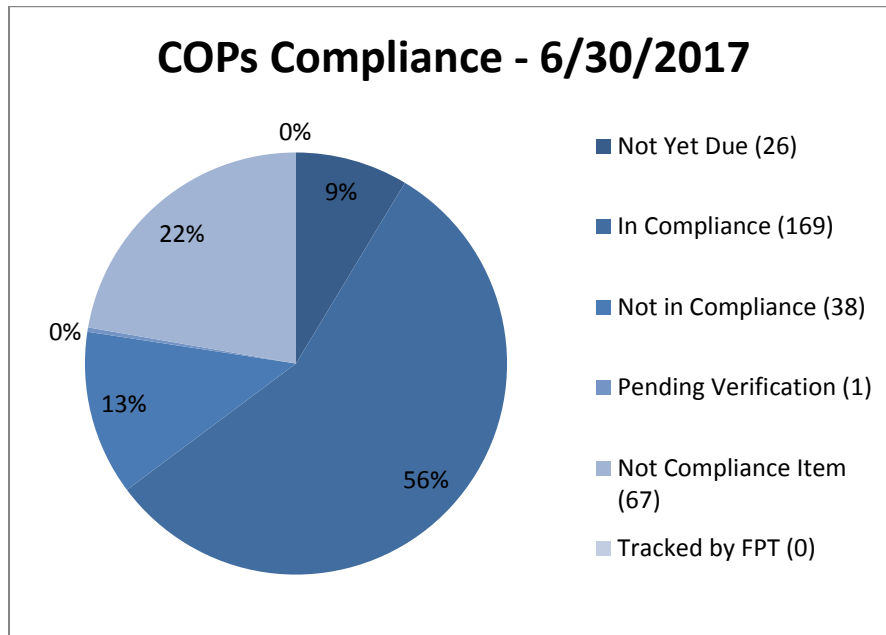
without workers' compensation insurance; failed to enroll employee-drivers in the DMV/EPN program; failed to enroll drivers in a mandatory Controlled Substance and Alcohol Testing Certification Program; and underreported gross revenue for 2015.

- **F-5349. MUH Corporation dba Five Star Tours, San Ysidro (TCP 9783). Case: PSG-4416. Fine: \$1,000. Violation:** Failed to execute sub-carrier's agreements for the utilization of the other carriers' vehicles and drivers.

Airport Citation Program

Airport	Citations issued by LAX police	Vehicles impounded	Citations issued by PUC	C&D letters issued	Total fines collected
LAX (Los Angeles International Airport)	9	9	7	9	\$6,000

COMPLIANCE WITH ORDERING PARAGRAPHS



TEB is responsible for 301 separate Ordering Paragraphs. Most Ordering Paragraphs result from decisions to approve CPCNs for passenger stage corporations, and include permit requirements such as obtaining appropriate insurances, enrolling in drug testing and DMV pull-notice programs, receiving bus terminal inspections by the CHP and others. Other OPs uphold TEB citations and impose fines that result from those

citations for violations of law and wrongdoing against consumers, or introduce new reporting requirements on carriers.

DOCKET ACTIVITY

Policy Proceedings

- R.12-12-011 (TNC Rulemaking). On June 15, 2017, parties filed reply comments on Track 2 issue: Regulatory Status of Uber.

Enforcement Proceedings

- I.17-04-009 (Why the Commission Should not Impose Appropriate Fines and Sanctions Against Rasier-CA LLC for Failing to Comply with The Zero Tolerance Rules and Public Utilities Code 5381.) On June 2, ALJ Mason scheduled a prehearing conference with TEB and Rasier-CA LLC, held June 30, 2017.

Citation Appeals

- Randall Lee Rogers, an individual doing business as Big Bear Moving & Redlands Moving (T-190858) filed an appeal of Citation CFP-5215 for violations of the Public Utilities Code and Commission's Maximum Rate Tariff 4 (MAX 4) on May 31, 2017. On June 30, 2017, ALJ MacDonald scheduled a hearing for Monday, August 21, 2017.

Carrier Application Proceedings

- **A.17-04-007 / Max E. Fuhrmann dba SherpaMax / Zanjani.** Seeks authority to operate as an on-call, door to door, passenger stage corporation between the towns of Mojave and Independence, California. D. 17-06-022 granted the Application and closed the proceeding.
- **A.17-04-012 / Proper Sightseeing Corporation / Yacknin.** Seeks authority to operate as a scheduled Passenger Stage Corporation with Hop On/Hop Off Service on fixed routes between points in Hollywood and Santa Monica, and to establish a Zone of Rate Freedom. On June 26, 2017, ALJ Yackin scheduled a Pre-hearing conference for July 19, 2017.
- **A.17-04-026 / Cabin Technologies, Inc. (PSC-36920) / Zanjani.** Seeks authority to add service points and revise rates and the Zone of Rate Freedom for passenger stage corporation service between points in the counties of San Francisco, San Diego and Los Angeles. D. 17-07-002 approved the Application and closed the proceeding.

- **A.17-06-014 / Rolla Shuttle / Kim.** Seeks authority to provide regularly scheduled passenger stage service, between points in San Diego County and the Los Angeles International Airport (LAX); and, to establish a Zone of Rate Freedom. Filed June 12, 2017.

OUTREACH/TRAINING/OTHER ACTIVITIES

- **LAX Satellite Office, June 28-30, 2017.** TEB staff again admonished nine TCP carriers discovered to be operating without LAX authority and educated them regarding the sub-carrier agreements required under G.O. 157, Part 3.04. This is a joint agency activity initiated in May 2017 at the request of LAX Landside Management & Airport Permit Services (LAXLMAPS) regarding TCP carriers providing “hotel courtesy” transportation service without LAX authority.

LEGISLATION OF INTEREST

TEB is currently tracking six legislative items of interest. No bills were added to or removed from TEB’s tracking list in May 2017.

AB 25 (Nazarian) – This bill would affirm the existing authority of local governments to adopt ordinances prohibiting tour buses from travelling on or using loudspeakers on certain streets.

AB 711 (Low) – This bill would authorize a beer manufacturer to provide consumers free or discounted rides with certain CPUC-regulated transportation providers.

AB 1099 (Gonzalez Fletcher) – This bill would require TNCs to allow for tipping their “workers” without categorizing those “workers” as employees.

SB 19 (Hill) – This bill would make a number of changes relating to the governance of the CPUC. The bill includes language that presumes the future transfer of certain TEB responsibilities to the California State Transportation Agency.

SB 20 (Hill) – This bill would require that charter-party carrier vehicle drivers inform their passengers of the requirement to wear seatbelts and the penalties associated with not doing so.

SB 182 (Bradford) – This bill would prohibit municipalities from requiring more than one business license from a TNC driver, regardless of the number of cities he or she operates in.

UTILITIES ENFORCEMENT BRANCH

UEB protects California utility consumers from fraud and abuse by ensuring that service providers comply with consumer protection laws and regulations. UEB investigates alleged violations by utilities, including communications (both wireline and wireless), energy (both electric and gas), and water companies. When sufficient evidence of violation is uncovered, UEB brings cases before the CPUC to seek appropriate remedies for consumers and/or penalties.

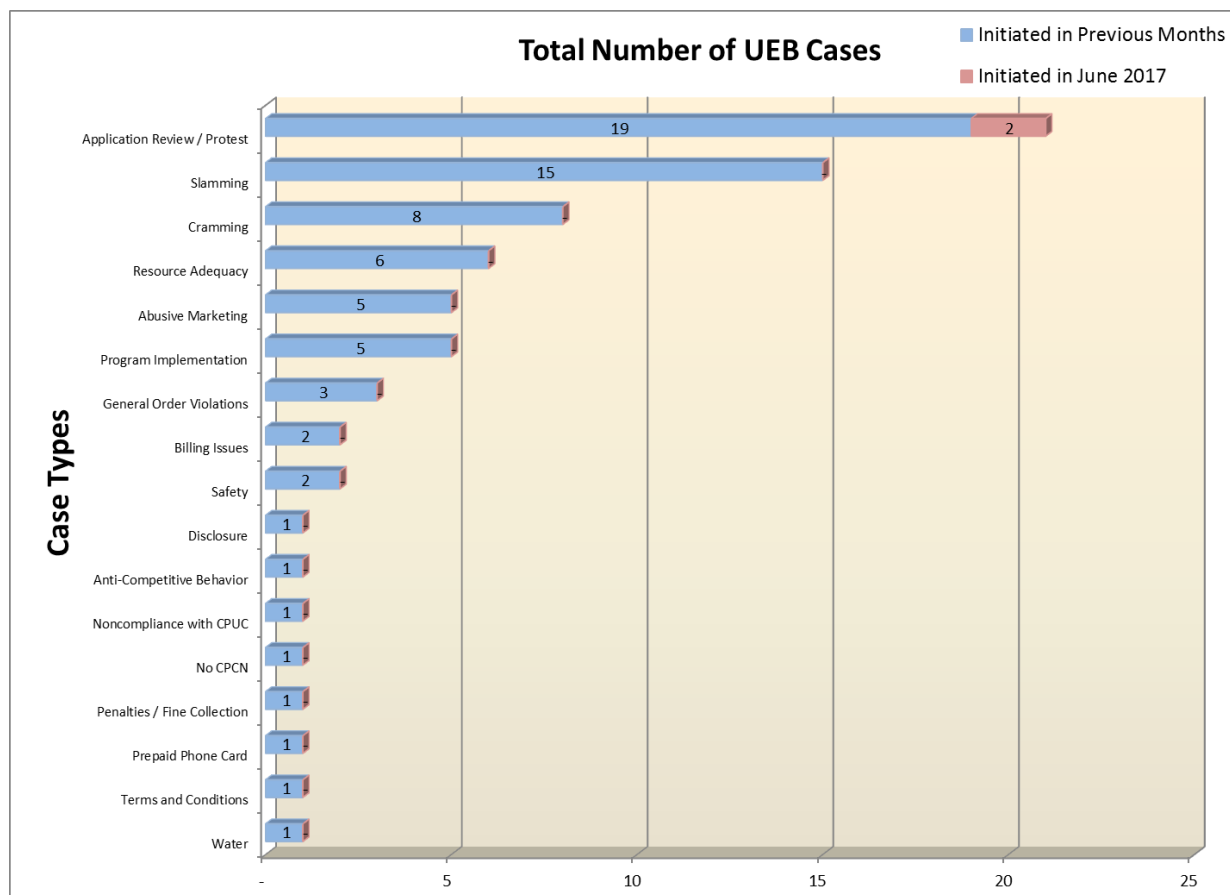
MONTHLY HIGHLIGHTS

- **LycaMobile Wireless Identification Registration (Resolution T-17570):** UEB assisted Communications Division (CD) in reviewing the Wireless Registration Identification (WIR) of LycaMobile, and based on UEB staff's recommendation, CD proposed a resolution, which the Commission adopted. The resolution fined LycaMobile \$10,000 for previously operating without authority as a condition for the approval of LycaMobile's WIR.
- **Ceretel (A.16-04-006) (Commissioner Peterman/ALJ Park) (Advocacy):** UEB staff and legal counsel participated in an evidentiary hearing to address issues raised by CPED in its protest of Ceretel's CPCN application.
- **SIGCA Holdings, LLC (A.17-02-007) (Commissioner Guzman Aceves/ALJ Ayoade) (Advocacy):** Legal counsel for UEB filed a motion for UEB to be granted party status in this proceeding to ensure consumers' interests are protected and the Commission's Rules are enforced. UEB had recently discovered that, in its application for a Certificate of Public Convenience and Necessity, SIGCA had failed to disclose its CEO's previous employment in a company that filed for bankruptcy, allegedly violating Rule 1.1
- **SoCalGas (I.17-04-021) (Commissioner Rechtschaffen/ALJ Ayoade) (Advocacy):** UEB staff and legal counsel participated in a prehearing conference and the ALJ requested that parties brief on five legal issues.

KEY ACTIVITIES

UEB is currently working on a total of 75 cases. Investigations center primarily on Application Protests, Cramming, and Slamming. UEB's cases come from a variety of sources, with CPCN application reviews and consumer complaints playing key roles.

Cases by Type as of June 30, 2017



CITATIONS/FINES/REFUNDS

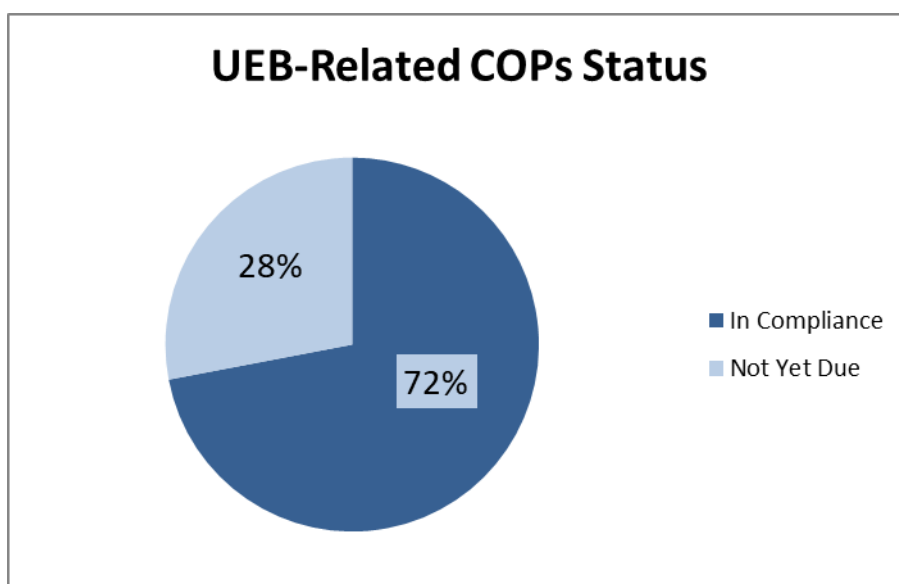
UEB's work for 2016 resulted in \$1,722,034 in fines and citations as follows: \$1,169,534 in fines against telecommunications companies, \$539,000 in citations to two

telecommunications providers for slamming violations, and three citations totaling \$13,500 to energy companies for deficient month-ahead resource adequacy and late-filed month-ahead system resource adequacy reports.

A fine of \$10,000 was imposed in June 2017 on a telecommunications service provider for operating without authority. In addition, the Commission adopted parties' settlement of a CEQA citation previously issued in May. The settlement imposed a \$275,000 penalty/reparation on an energy company for alleged failure to comply with mitigation measures outlined in the Environmental Impact Report. 2017 results are shown below.

Date	Citations/Fines/ Reparation Amounts
June 2017	\$285,000
Cumulative 2017	\$482,500

COMPLIANCE WITH ORDERING PARAGRAPHS



One new Ordering Paragraph was added to UEB's COPS tracker for the month of June. UEB is currently responsible for 25 separate Ordering Paragraphs. Of those 25 Ordering Paragraphs, 18 (representing 72%) have been complied with, and compliance with the remaining 7 are not yet due. None are out of compliance.

Ordering Paragraphs related to UEB's work are attributable to the imposition of fines, adoption of settlements, ordering of consumer refunds or reparation and other remedies and corrective actions, including reporting requirements, resulting from UEB's investigations of violations of law and wrongdoing against consumers.

The numbers reported above tracks compliance with ordering paragraphs assigned to UEB and do not include tracking for compliance with payment of fines, penalties, surcharges or the like, which are assigned to Fiscal Office.

DOCKET ACTIVITY

There was one UEB-related agenda item in June 2017. The Commission adopted a resolution, proposed by the Communications Division (CD), for fining LycaMobile \$10,000 for previously operating without authority as a condition for the approval of LycaMobile's Wireless Registration Identification (WIR). UEB had assisted CD in reviewing the WIR of LycaMobile and recommended the imposition of the fine.

UEB is currently monitoring 12 separate CPUC proceedings. UEB serves an advocacy role in proceedings relating to formal investigations of alleged violations and wrongdoings by energy (both electric and gas), telecommunications (both wireline and wireless), and water companies. UEB is often a party in applications for operating authority when it protests the filings of telecommunications providers with alleged fitness issues. UEB also monitors and participates in an advisory role in consumer-protection-related Rulemakings when needed.

OUTREACH/TRAINING/OTHER ACTIVITIES

Staff attended the June SNAP (State National Action Plan) conference call, where the focus was on the importance of broadband availability in rural areas for health care providers. Federal funds may be available to upgrade slow broadband connections for these providers.

LEGISLATION OF INTEREST

UEB is currently tracking one legislative item of interest. No bills were added to or deleted from UEB's tracking list in the month.

SB 549 (Bradford) – This bill would require an energy corporation to report to the CPUC, within 60 days, when moneys authorized by the CPUC for maintenance or safety are reprioritized for other purposes.

